

TAB

Lease / Property
Status



Tuesday, July 08, 2008

MEMORANDUM

To: Sawmill Cove Board of Directors
From: Garry White, Director
Subject: True Alaska Bottling (TAB) Contract

The Purchase and Sale Contract between the City and Borough of Sitka and True Alaska Bottling Company for the bottling building and 3.0 acres of land at Sawmill Cove Industrial Park contains three conditions of reversion under which the property could again become owned by CBS. The first conditions of reversion came due on June 7, 2008, 18 months from the date of the execution of the agreement. The conditions were not met.

First Condition of Reversion

Purchaser must complete Phase 1 of its development plan by June 7, 2008. Phase 1 includes:

- ❖ Clean up loose rubble and remove non-essential debris
- ❖ Complete re-siding of the existing building
- ❖ Install Langenburg water treatment equipment with production capacity of up to 400,000 cases per month.
- ❖ Upgrade the existing water bottling equipment from a capacity of 200,000 cases per month to 400,000 cases per month.
- ❖ Rebuild the east wall of the existing building and construct a container van storage dock.
- ❖ Upgrade the existing building electrical system, abandon the 4160 V temporary connection and make a permanent connection to the Sawmill Cove substation grid.
- ❖ Build a viewing platform and auditorium within the existing building.

Dick Kearns has agreed to speak with the SCIP board via phone to discuss options.